

#### Rental Agreement Terms and Conditions

**1. Definitions.** The Terms and Conditions found on this form, the rental document signed by the renter, a Vehicle Inspection Form, a return document showing the rental charges, and any addenda together constitute the Rental Agreement, "Agreement". "You" or "Your" refers to the person identified as the renter in this Agreement, any person signing this Agreement, any Authorized Driver and any person or organization to whom charges are billed by us at its or the renter's direction. All persons referred to as "you" or "your" are jointly and severally bound by this Agreement. "We", "our" or "us" refers to Alaska Auto Rental, Inc. An "Authorized Driver" is the renter and any additional driver(s) listed by us on this Agreement, provided that each such person has a valid driver license and meets all other renter qualifications. "Vehicle" means the motor vehicle identified in this Agreement and any vehicle we substitute for it, and all its tires, tools, accessories, equipment, keys and Vehicle documents. "CDW" means Collision Damage Waiver. "Physical Damage" means damage to, or loss of, the Vehicle caused by collision or upset; and damage to, or loss of, the Vehicle due to theft, vandalism, act of nature, riot or civil disturbance, hail, flood or fire or other comprehensive loss. "Loss of Use" means the loss of our ability to use the Vehicle for any purpose - including non-rental uses such as display of the Vehicle, display of the Vehicle for sale, and non-revenue transportation by employees - because of damage to it or loss of it during this rental. "Diminished Value" means the difference between the value of the Vehicle prior to damage or loss and the value of the Vehicle after repair or replacement.

**2. Rental, Indemnity and Warranties.** This is a contract for rental of the Vehicle. You agree to rent the Vehicle described on the rental document and/or its substitute and you agree to all the terms and conditions of this Agreement. We may repossess the Vehicle at your expense without notice to you if the Vehicle is abandoned or used in violation of law or this Agreement. You are not our agent for any purpose whatsoever. You agree to indemnify us, defend us and hold us harmless from all claims, liability, costs and attorney fees we incur resulting from, or arising out of, this rental and your use of the Vehicle. We make no warranties, express, implied or apparent, regarding the Vehicle, no warranty of merchantability and no warranty that the Vehicle is fit for a particular purpose. We may not be held liable for any matter, cause of action or damages arising out of this rental.

**3. Condition and Return of Vehicle.** You acknowledge that the Vehicle is delivered to you in good working condition and without damage except as documented prior to the start of your rental. You acknowledge that you have had the opportunity to inspect the Vehicle prior to driving it. You agree to return the Vehicle to the return location specified in this Agreement, on the date and time specified in this Agreement or earlier if we request, and in the same condition that you received it, except for ordinary wear, and to pay all charges due even if you did not specifically authorize the charges. Upon returning the vehicle, you remain responsible for the safety of, and any damage to, the Vehicle until we inspect it. Service to the Vehicle or replacement of parts or accessories during the rental must have our prior approval. You must check and maintain all fluid levels, and return the Vehicle with at least the same amount of fuel as when rented. Vehicles returned to a location other than the return location specified in this Agreement without prior approval will incur a recovery charge of \$5 per mile distance from the specified return location, with a \$50 minimum.

**4. Prohibited Uses.** Neither you nor any authorized driver may use the Vehicle or allow the Vehicle to be used in any of the following ways or for any of the following purposes: (a) by an unauthorized driver; (b) to carry persons or property for hire; (c) to push or drag anything; (d) to drive with tire chains installed; (e) in any race, speed test or contest; (f) to teach anyone to drive; (g) by anyone under the influence of alcohol, drugs, or any other substance which may impair driving ability; (h) for any purpose that could be charged as a crime or in the commission of a crime; (i) while engaging in any willful or wanton misconduct, which among other things may include failure to wear seat belts, use when overloaded, intentional abuse or damage to the Vehicle, etc.; (j) to transport dangerous, hazardous, or illegal material; (k) to transport inadequately secured cargo or beyond the Vehicle's capability; (l) to transport any animals other than a service animal registered pursuant to law; (m) to transport more persons than the Vehicle has seat belts; (n) to carry persons outside the passenger compartment; (o) to transport children without approved child safety seats as required by law; (p) when the Vehicle's fluid levels are low, or it is otherwise reasonable to expect you to know that further operation would damage the Vehicle; (q) taken off road and operation in any prohibited areas; (r) to travel outside of any geographic restriction noted on this Agreement or to tamper with or disable any vehicle location services; (s) to leave the Vehicle without locking all doors and trunk, removing the keys, and closing all windows; (t) to allow anyone other than an authorized driver to come into possession of the Vehicle or the keys to the Vehicle; (u) if the Vehicle is obtained or the rental is extended by the use of any false, fraudulent or misleading information; (v) to sublet the Vehicle or attempt to transfer this Agreement; or, (w) for providing ride-sharing services such as Uber or Lyft. Use of the Vehicle in any of these ways or the occurrence of any of the above is a violation of this Agreement, and shall invalidate any limitation of your responsibility by CDW, WDW, or otherwise, and shall make you fully liable for all our loss or damage to the Vehicle or otherwise. Under these circumstances, to the extent permitted by law, all purchased coverage, including CDW, WDW, and liability protection, if any, will be invalidated.

**5. Responsibility for Damage or Loss.** You are fully responsible and absolutely liable for all loss of or damage to the Vehicle, including damage caused by weather, road conditions and acts of nature, regardless of cause, regardless of fault, and whether or not you know how or when the damage or loss occurs. If you purchase and accept by initialing the optional CDW at the beginning of the rental, and if you use the Vehicle in strict compliance with the terms of this Agreement, we will waive your responsibility for a portion of Physical Damage to the Vehicle (including Diminished Value). CDW does not apply to Towing Costs, Citations, Loss of Use charges, or Administrative Fees. CDW is not insurance. If you violate any provision of this Agreement any CDW will be invalidated. Unless we waive your responsibility, in the event of loss or damage you will promptly pay us for all of the following: (a) The value of physical damage to be measured as follows; (i) for total loss, whether by damage, theft or otherwise, the retail fair market value of the Vehicle, less salvage, if any; or (ii) for loss not amounting to total destruction, the reasonable estimated retail value for damage repair, and any diminution of value to the vehicle (which is the difference between the vehicle's fair market value before it was damaged and after it is repaired). Additionally, at our sole discretion, if we choose not to repair the vehicle you will owe the retail fair market value, less the sale proceeds of the un-repaired vehicle. (b) Damages for our loss of the use of the Vehicle during the time reasonably necessary to repair or replace the Vehicle. You will pay Loss of Use at the daily rate specified in the rental document regardless of fleet utilization. You agree to pay reasonable loss of use damages for the actual number of days from the date the loss or damage occurs until the Vehicle is replaced or returned to us repaired and ready to rent. In the event we elect to not immediately repair the Vehicle for whatever reason, you agree to pay loss of use damages according to the following formula, which you agree is reasonable: assuming all loss of use begins on a Monday, the total number of labor hours on the repair estimate divided by 4 hours per day, plus weekends, plus 3 administrative days to allow for obtaining an estimate, delivering the Vehicle for repair, retrieving the Vehicle from repair, etc. When a Vehicle has to be replaced, we will not charge more than 30 days Loss of Use to replace the Vehicle; (c) An administrative fee to cover the cost of processing the claim, since we do not build those costs into our rental rates. The administrative fee will be determined on the following scale based upon the damage repair valuation: \$0-\$250=\$50 fee, \$251-\$500=\$75 fee, \$501-\$750=\$100 fee, \$751-\$1,500=\$150 fee, \$1,501-\$2,500=\$200 fee, \$2,501 and above=\$250 fee; (d) Damages for diminished value of the Vehicle after repair. You will pay diminished value damages calculated according to an appraisal obtained from a competent and disinterested appraiser. (e) Towing and storage charges and any other reasonable incidental and consequential damages. (f) Windshield repair or replacement costs. You understand and agree that in the event a windshield crack or unrepairable chip necessitates replacement of the Vehicle windshield, you will pay us the replacement cost of the windshield plus one day rental cost, which will cover our costs of delivering the Vehicle for repair, windshield installation, curing of the adhesive, and retrieving the Vehicle from repairs. Repairable windshield chips will be repaired at a cost of \$65 per chip. If you purchase and accept by initialing the optional WDW at the beginning of the rental, and if you use the Vehicle in strict compliance with the terms of this Agreement, we will waive your responsibility for any windshield repair or replacement costs. WDW is not insurance. If you violate any provision of this Agreement any WDW will be invalidated.

**6. Reporting Loss or Damage.** In the event of an accident, theft, vandalism, or any other loss or damage you agree to complete our accident report and return it to us within 24 hours, and you will cooperate fully in our investigation. You must also notify the police or other appropriate officials. Upon our request you will immediately provide us with all of your insurance and other coverage information, and unless you pay us within 5 days of demand you will promptly process the claim through such coverage. You will immediately deliver to us any process, pleading, notice or paper of any kind. Failure to do any of these things will be a breach of this Agreement, and will invalidate any purchased coverage including, but not limited to, CDW and WDW.

**7. Insurance.** You are responsible for all damage or loss you cause to others and others' property. You agree to provide auto liability, collision and comprehensive insurance covering you, us, and the Vehicle. Where required by law, we agree to provide auto liability insurance (the "Policy") that is secondary to any other valid and collectible insurance whether primary, secondary, excess or contingent. The Policy provides bodily injury and property damage liability coverage with limits no higher than minimum levels prescribed by the financial responsibility laws of the State of Alaska. You and we reject PIP, medical payments, no-fault and uninsured and underinsured motorist coverage. Coverage shall be canceled if you violate any terms of this Agreement or if you fail to cooperate in any loss investigation conducted by us or our insurer. Giving the Vehicle to an unauthorized driver terminates our liability insurance coverage, if any. For all Florida Residents and vehicles entering Florida, in accordance with the exception to Fla. Stat. 627.7263, you are hereby notified that this Agreement provides that the valid and collectible liability and personal injury insurance of the renter, or any other person operating this motor vehicle with the renter's consent shall be primary. Renter is contracting that their insurance is to be primary in accordance with said statute and in accordance with the limits of liability as required by Fla. Stat. 324.021(7).

**8. Charges.** You will pay us upon demand, all charges due to us under this Agreement, including the charges and fees shown on the face page, and: (b) fuel and a refueling fee if you return the Vehicle with less fuel than when rented; (c) all expenses we incur locating and recovering the Vehicle if you fail to return it or if we elect to repossess the Vehicle under the terms of this Agreement; (d) all costs including pre- and post-judgment attorney fees we incur collecting payment from you or otherwise enforcing or defending our rights under this Agreement; (e) a \$50 per month late payment fee or the maximum amount allowed by law on all amounts past due; (f) \$50 if you pay us with a check returned unpaid for any reason; and, (g) a cleaning fee not to exceed \$500 to clean the Vehicle if returned substantially less clean than when rented. (h) You will pay us or the appropriate government authorities for all parking, traffic and toll violations, fines, penalties, forfeitures, court costs, towing and storage charges and other expenses involving the Vehicle assessed against us or the Vehicle; if we pay a parking charge to the charging authority on your behalf, you will pay us all fees owed to the charging authority plus our processing fee of \$50 for each such citation or charge.

**9. Deposit.** We may use your deposit to pay any amounts owed to us under this Agreement.

**10. Your Property.** You release us, our agents and employees from all claims for loss of or damage to your personal property or that of any other person, that we received, handled or stored, or that was left or carried in or on the Vehicle or in any service vehicle or in our offices, whether or not the loss or damage was caused by our negligence or was otherwise our responsibility.

**11. Breach of Agreement.** The acts listed in Paragraph 4, above, are prohibited uses of the Vehicle and constitute material breaches of this Agreement. You waive all recourse against us for any criminal reports or prosecutions that we take against you that arise out of your breach of this Agreement.

**12. Modifications.** No term of this Agreement can be waived or modified except by a written agreement signed by us. Extension of the rental period may require returning the Vehicle to our rental office for inspection and written amendment by us of the return date. This Agreement constitutes the entire agreement between you and us. All other representations and agreements, oral or otherwise, between you and us regarding this rental are void.

**13. Miscellaneous.** A waiver by us of any breach of this Agreement is not a waiver of any additional breach or waiver of the performance of your obligations under this Agreement. Our acceptance of payment from you or our failure, refusal or neglect to exercise any of our rights under this Agreement does not constitute a waiver of any other provision of this Agreement. Unless prohibited by law, you release us from any liability for consequential, special or punitive damages in connection with this rental or the reservation of a vehicle. If any provision of this Agreement is deemed void or unenforceable, the remaining provisions are valid and enforceable. - AAR TC 240604